

## Challenge from new booking engines

Competition from a new kind of online technology looks likely to cut the cost of booking flights. United Airlines has offered to share savings with key travel agents who adopt a new breed of booking engines as an alternative to traditional global distribution systems (GDSs).

The airline reckons a reservation made using the fledgling system costs between \$1 and \$3, compared with the \$10 to \$13 it is charged by the GDS operators. It is too early to say whether the resulting competition will cut corporate travel costs but it looks likely, at least, to help hold them in check.

The initial impact of the new booking engines, such as those developed by ITA Software and G2 Switchworks, has been felt mainly in the US. However, it is inevitable that they will soon attract interest

in Europe and elsewhere.

United says it may share up to \$5 savings per booking with agents adopting them. This would offset any incentive payments they receive from GDS companies. Those companies are fighting back, claiming their competitors cannot yet provide all the flexibility and information corporate travel managers need.

Yet agents do not need to make a choice between the systems, says Graham Atkinson, United Airlines senior vice-president of

worldwide sales and alliances. "The new systems are designed to sit seamlessly and invisibly next to the GDS so agents can quickly switch between the two and do not need to use them for all bookings."